

# STERLING ASSET MANAGEMENT FUND

Minimum disclosure document (fact sheet) as at 31 July 2017

## Investment objectives & strategy

This Fund aims to achieve an increase in value whilst suppressing volatility and risk, through a conservative allocation of assets between, primarily, international equities, fixed interest securities and cash or money market instruments. Exposure to equities is limited to a maximum of 50% and exposure to fixed income securities is limited to a maximum of 70%. Exposure to currencies, other than base currency, after hedging, will not exceed 50%.

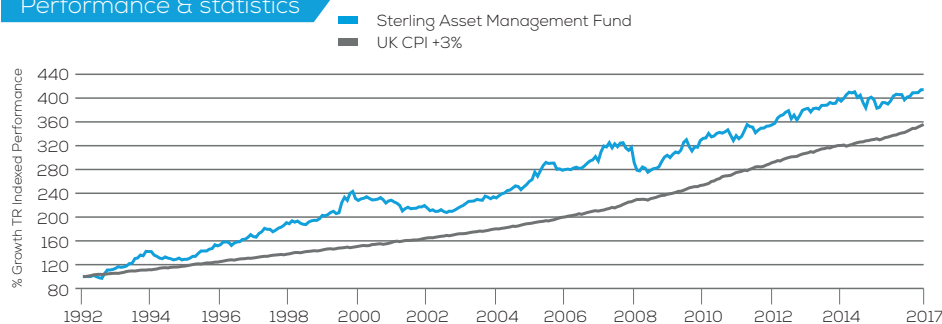
## Investor profile

This Fund is suitable for an investor looking to achieve long-term growth of capital, accepting a low to moderate degree of risk.

## Fund activity

- During July there was a "comeback" in the reflation theme as commodity prices, especially oil and base metals (iron ore, copper), recorded strong gains. In response, inflation expectations drifted higher. We used the strength in our G10 oil-linked currency positions (NOK, CAD) to take profits in our positive oil theme. The positive moves in these currencies were exacerbated by the hawkish turn by their respective central banks. Notably, Bank of Canada raised interest rates for the first time since 2010.
- The US dollar index was particularly weak, reacting to the monetary convergence between G10, the disappointing inflation trajectory in the US and lack of any meaningful policy change out of Washington. At this juncture, data indicates an extremely short US dollar positioning by historical standards and expectations are extremely low, making risk/reward for the currency attractive in our view.
- Emerging market (EM) central banks have been diverging from their developed market counterparts in running accommodative policies to combat disinflationary outlooks. We retain our constructive view on EM real rates in this environment, especially in light of EM inflation volatility structurally declining.

## Performance & statistics



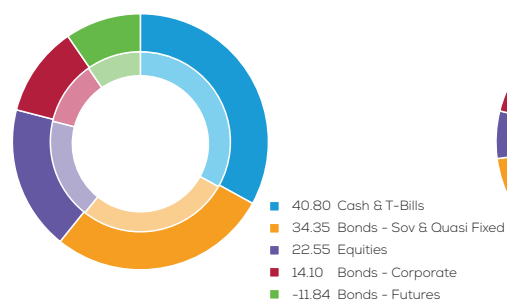
Annual average compound rate of return: **5.74%**

Source: Morningstar

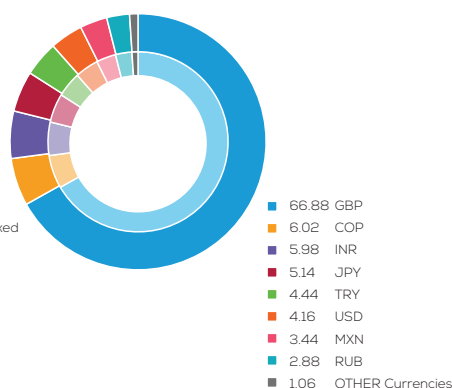
The investment performance is for illustrative purposes only and is calculated on a bid to bid basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Past performance is not necessarily an indication of future performance.

| Growth (%)   | Fund   | Benchmark | Fund statistics (Rolling 3 Yr) | Fund  |
|--------------|--------|-----------|--------------------------------|-------|
| YTD          | 3.28   | 3.55      | Standard deviation             | 5.29  |
| 1 Mth        | 0.18   | 0.22      | Sharpe ratio                   | 0.34  |
| 3 Mths       | 1.38   | 1.46      | Maximum gain                   | 8.14  |
| 6 Mths       | 2.91   | 2.82      | Maximum drawdown               | -6.72 |
| 1 Yr         | 2.84   | 5.64      | Drawdown recovery (mths)       | 16    |
| 3 Yrs        | 6.89   | 12.61     | Positive months                | 24    |
| 5 Yrs        | 18.72  | 25.38     |                                |       |
| Since launch | 314.92 | 256.49    |                                |       |

## Asset allocation (%)



## Currency weightings (%)

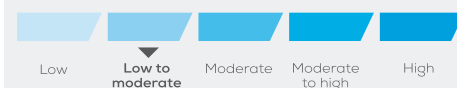


## International

### Key facts

**Head of Asset Allocation**  
Marianna Georgakopoulou

### Risk profile



### General Information

|                    |   |
|--------------------|---|
| Launch date        | 04/02/92  |
| Fund size          | £239.64m  |
| Minimum investment | £10,000   |
| Benchmark          | UK CPI + 3%   |
| Domicile           | Jersey  |
| Dealing            | Daily   |
| ISIN               | GB0000532423  |
| Sedol              | 0053242   |
| Bloomberg ticker   | ASHRASI JY  |
| Nav price          | £41.4919  |
| Yield              | N/A   |
| Dividend policy    | Accumulation  |
| Manager            | Ashburton Fund Managers Limited                       |
| Investment manager | Ashburton (Jersey) Limited                            |
| Custodian          | BNP Paribas Securities Services S.C.A., Jersey Branch |
| Reporting fund     | No  |
| ISA eligible       | No  |
| FCA recognised     | No  |
| Umbrella fund      | Ashburton Replica Portfolio Limited                   |

### Fee Structure (%)

|                           |       |
|---------------------------|-------|
| Annual Management fee     | 1.50% |
| Total Expense Ratio (TER) | 1.78% |
| Transaction Charges       | 0.06% |
| Total Investment Charges  | 1.84% |

Initial Charges are subject to prescribed minimums. Please refer to the Fund Prospectus.

### Contact us

**Client service:** +44 (0)1534 512000

**Email:** enquiries@ashburton.com

**Website:** www.ashburtoninvestments.com

**Or speak to your financial advisor.**

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## Monthly performance history (%)

| Year | Jan   | Feb  | Mar  | Apr   | May   | Jun   | Jul  | Aug   | Sep   | Oct  | Nov   | Dec   | Calendar year |
|------|-------|------|------|-------|-------|-------|------|-------|-------|------|-------|-------|---------------|
| 2017 | 0.35  | 0.72 | 0.71 | 0.07  | 1.15  | 0.05  | 0.18 | -     | -     | -    | -     | -     | -             |
| 2016 | -3.51 | 0.41 | 2.04 | 0.00  | -0.63 | 1.35  | 2.09 | 0.74  | -0.14 | 0.01 | -2.19 | 1.20  | 1.21          |
| 2015 | 1.18  | 1.52 | 1.07 | -0.32 | 0.48  | -2.30 | 0.93 | -3.06 | -2.27 | 4.09 | 0.54  | -1.13 | 0.53          |
| 2014 | -1.57 | 1.46 | 0.27 | -0.44 | 1.61  | 0.03  | 0.10 | 1.15  | -0.46 | 0.11 | 1.96  | -1.02 | 3.17          |
| 2013 | 2.47  | 0.99 | 0.46 | 1.19  | 0.65  | -3.57 | 1.68 | -2.23 | 1.98  | 2.43 | 0.56  | 0.33  | 6.98          |

The above portfolio performance is calculated on a bid to bid basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Past performance is not necessarily an indication of future performance.

## Geographical weighting (%)

|                                      | ASIA | EU  | JPN | UK  | US  | OTHER |
|--------------------------------------|------|-----|-----|-----|-----|-------|
| <b>Bonds - Corporate</b>             | -    | -   | -   | 2.9 | 9.6 | 1.6   |
| <b>Bonds - Index Linked</b>          | -    | -   | -   | -   | -   | -     |
| <b>Bonds - Sov &amp; Quasi Fixed</b> | -    | 6.0 | -   | 7.1 | 5.5 | 15.8  |
| <b>Equities</b>                      | 5.4  | 6.5 | 7.2 | 0.1 | 2.7 | 0.6   |

## Top 5 bond holdings (%)

|  | Sector                  | %    |
|--|-------------------------|------|
| <b>UK TREASURY 4.250 DEC 07 27</b>         | Sovereign & Quasi Fixed | 7.05 |
| <b>GERMANY(FED REP) 2.500 AUG 15 46</b>    | Sovereign & Quasi Fixed | 5.97 |
| <b>TURKEY(REP OF) 11.000 MAR 02 22</b>     | Sovereign & Quasi Fixed | 4.44 |
| <b>MEXICO(UTD MEX ST) 5.750 MAR 05 26</b>  | Sovereign & Quasi Fixed | 4.36 |
| <b>UNITED STATES TREAS 2.250 FEB 15 27</b> | Sovereign & Quasi Fixed | 4.05 |

## Top 5 equity holdings (%)

|                            | Sector          | %    |
|----------------------------|-----------------|------|
| <b>NIKKEI 225</b>          | Futures         | 7.20 |
| <b>EURO STOXX 50</b>       | Futures         | 6.10 |
| <b>INDIA EQ OPPS FUND</b>  | Internal Shares | 3.16 |
| <b>GLOBAL ENERGY FUND</b>  | Internal Shares | 3.01 |
| <b>CHINDIA EQUITY FUND</b> | Internal Shares | 2.48 |

## Disclaimer

This document is for professional financial advisers only and is not intended for distribution to private investors.

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The Fund is not authorised in the UK and is therefore considered an unregulated collective investment scheme for the purpose of the Financial Services and Markets Act 2000. The rules and regulations made in the UK for the protection or compensation of investors do not apply. This document has been approved for issue in the UK by Ashburton (UK) Limited which has its registered office address at Austin Friars House, 2-6 Austin Friars, London EC2N 2HD. Ashburton (UK) Limited is authorised and regulated by the Financial Conduct Authority (FRN 185971).

In South Africa, the Fund is approved for promotion under section 65 of the Collective Investment Schemes Control Act 2002. Collective Investment Schemes (CIS) are generally medium to long-term investments. A schedule of fees, charges and maximum commissions is available on request from the manager. Forward pricing is used and portfolio valuations take place at 10:00am in Jersey, Channel Islands, on each business day. Instructions to redeem or repurchase must reach Ashburton before 10:00am to ensure same day value. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures. In such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. In the event a potential investor requires material risks disclosures for the foreign securities included in a portfolio, the manager will upon request provide such potential investor with a document outlining: potential constraints on liquidity & repatriation of funds; Macro-economic risk; Political risk; Foreign Exchange risk; Tax risk; Settlement risk; and Potential limitations on the availability of market information.

TERs are based on the 31/12/2015 calculations. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's.

The Prospectus, and further information including pricing and charges, may be viewed at 3rd Floor, 4 Merchant Place, 1 Fredman Drive, Sandton, 2196. For the most up to date prices and performance information, visit [www.ashburtoninvestments.com](http://www.ashburtoninvestments.com)